REVIEW 02/2026

EN

Opportunities for the 2028-2034 Multiannual Financial Framework – follow-up to ECA review 03/2025



EUROPEAN
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Glossary

ECA Team

Main messages

Our review

01 In the light of the expected Commission proposals for the 2028-2034 Multiannual Financial Framework (MFF), we published Review 03/2025 on 16 June 2025. Based on our previous audits, our review identifies opportunities for the Commission to consider in different thematic areas.

02 On 16 July 2025, the Commission published its legislative package for the 2028-2034 MFF, followed by a second set of sectoral proposals on 3 September 2025. These proposals laid the foundation for the EU's priorities during the next seven-year budget period.

03 From January to March 2026, we issued 12 individual opinions in response to requests from the European Parliament and/or the Council of the European Union. We provided views on 12 specific legislative proposals and in May 2026, published an overview bringing together the main messages from those opinions.

04 This review follows up on the opportunities we identified for the post-2027 period by assessing how they have been addressed in the Commission's legislative proposals. The views presented provide a different perspective from our main messages, and could serve as a guiding compass for finalising the legislative framework for the next MFF. This is not an audit report; it is a review limited to the issues addressed by the opportunities identified. The views are based on the opinions issued (see ***Annex I***).

Overall remarks

05 With the 2028-2034 package, the Commission proposes significant changes to the MFF architecture by reducing the number of budgetary headings from seven to four and the number of programmes from 52 to 16. The main changes proposed are:

- an increase in the number of own resources from four to nine and adjustments to the existing ones;
- a decline in the proportion of funding implemented under shared management, in favour of other management modes;
- the establishment of a European Fund worth €865 billion at current prices, incorporating key areas of EU budget spending (such as natural resources and cohesion) and instruments into a single framework centred around national and regional partnership (NRP) plans, one for each member state;
- the introduction in the European Fund of an option for member states to finance the implementation of their NRP plans though EU loans of up to €150 billion, to be repaid by the member states at a later stage;
- general use of financing not linked to costs and/or simplified cost options for most budgetary headings and programmes
- a fivefold increase in funding, amounting to €131 billion, to strengthen the EU's defence-industrial base and enhance defence and space capabilities (in the new European Competitiveness Fund);
- the introduction of a single performance framework, with a significantly reduced number of harmonised indicators and a single set of intervention fields for monitoring the implementation of the programmes, including EU coefficients for each intervention field for selected horizontal policy priorities.

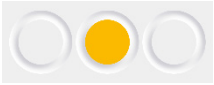
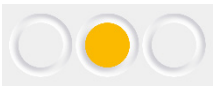
06 Of the 28 opportunities for the next MFF that we identified in Review 03/2025, our analysis shows that one opportunity has been addressed, 19 have been partially addressed, and eight remain unaddressed. The area where the Commission's proposals best address the opportunities we identified is budget flexibility (see ***Table 3***). By contrast, the area where the opportunities we identified were the least addressed is financing not linked to costs (see ***Table 5***).

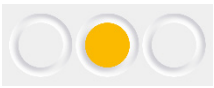
A closer look

07 In the paragraphs below, we examine how the Commission's proposals respond to the opportunities we identified in each of the eight sections of Review 03/2025, and identify areas where further improvements are needed to fully address those opportunities. Overall assessments of how the Commission's proposals do so are presented in ***Table 1-8***: green indicates that the opportunity has been addressed, yellow that it has been partially addressed, and red that significant gaps remain to be addressed.

Opportunities for a more focused budget with greater impact

Table 1 | Overall assessment

Measuring performance	
To design a performance framework based on reliable information, that focusses on results and impact rather than outputs.	
To improve the reporting on mainstreaming targets in the Annual Management and Performance Report and programme statements.	
In case horizontal priorities are defined, to systematically set up monitoring mechanisms to track expenditure.	
EU added value	
To clearly define the concept of EU added value in the legislation, and apply it consistently and systematically when allocating EU funds to programmes and initiatives.	

To ensure that the EU added value of EU spending is evaluated ex post.	
Leveraging the EU budget to increase the EU's financing capacity	
To improve the methodology for estimating the amount and demonstrating the additionality of the investment mobilised by EU budgetary guarantees.	

How Commission proposals respond to opportunities identified by the ECA

08 The proposals introduce a harmonised EU-wide performance framework based on common intervention fields, indicators, methodologies, and reporting arrangements[1]. Furthermore, the proposals provide a clearer framework for reporting on horizontal priorities, and incorporate the new Financial Regulation requirement that all programmes should be implemented without doing significant harm to the environment, comply with working and employment conditions, and apply the principle of gender equality[2]. The framework also recognises the need for proportionate reporting requirements for recipients of EU funding and implementing partners[3]. The proposals describe the concept of 'EU added value of EU involvement' as the value resulting from EU action that is additional to the value that would have been created by member states alone[4]. The proposals specifically require the Commission to examine EU added value when carrying out evaluations; they stipulate that member states may cover EU added value in their evaluations, but do not make this an obligation[5].

Issues requiring further improvement

09 Despite the improvements made, key lessons from previous performance-based instruments have not been fully incorporated, as the proposed framework continues to prioritise output indicators, with insufficient result indicators in many cases linked to reforms and a lack of impact indicators. Moreover, several indicators are vague or

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1 Opinion 10/2026, paragraph 13.

2 Ibid., paragraph 25.

3 Ibid., paragraph 19.

4 Ibid., paragraph 6.

5 Ibid., paragraph 7.

procedural in nature[6]. The absence of methodologies for setting baselines, milestones and targets[7], as well as limited guidance on the consistent use of intervention fields and indicators, creates risks of uneven ambition and unequal treatment across member states[8]. According to the Commission, the development of such guidance and methodologies is underway. Furthermore, the reliance on estimated rather than actual expenditure for tracking horizontal priorities increases the likelihood of contributions to climate and environmental objectives being overstated[9].

10 The Commission's proposals did not seize the opportunity to provide a definition of the concept of EU added value. Without a legally defined concept of EU added value, there is a risk that it may be interpreted differently across interventions, resulting in assessments of EU added value that are not comparable across different programmes[10]. Furthermore, the proposals envisage that member states may cover EU added value in their evaluations but do not make this an obligation, which is likely to limit the ability to assess EU added value[11].

11 The proposals also lack clarity and methodological robustness in estimating and demonstrating the volume and additionality of mobilised investments[12]. The contributions to the provisioning of budgetary guarantees and the financing of financial instruments are not predefined. The proposals do not establish any multiplier target effect for measuring the volume of mobilised investments, which may make it harder to monitor and assess the impact of the instrument[13].

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6 Ibid., paragraphs 12-13.

7 Opinion 10/2026, paragraph 22.

8 Ibid., paragraphs 15, 16 and 21.

9 Ibid., paragraph 42.

10 For example in Opinion 01/2026, paragraph 21, Opinion 07/2026, paragraph 11, and Opinion 10/2026, paragraph 6.

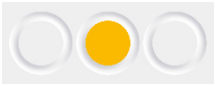
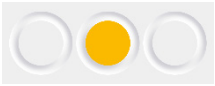
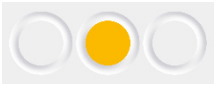
11 Opinion 10/2026, paragraph 7.

12 Opinion 01/2026, paragraph 73.

13 Ibid., paragraph 38.

Opportunities for simplification

Table 2 | Overall assessment

To ensure that the EU's financial landscape is simplified by consolidating or including any new instruments inside the EU budget.	
To decrease the complexity of the management and control systems needed to manage EU funds, while ensuring accountability.	
To simplify further the public procurement arrangements with a view to reducing the administrative burden and irregularities.	

How Commission proposals respond to opportunities identified by the ECA

12 The proposals aim to simplify the budgetary framework by reducing the number of headings from seven to four and the number of programmes from 52 to 16. This consolidation could benefit final recipients by reducing the number of rulebooks they need to follow, thus potentially easing the administrative burden[14]. The proposals have also taken steps to reduce the complexity of management and control arrangements across spending programmes. As an example, we note the introduction of unified performance reporting and the Single Gateway portal[15], which aim to reduce the administrative burden and improve transparency and traceability. The proposals also seek to streamline public procurement procedures, particularly for innovative solutions, with the aim of reducing the administrative burden and expediting implementation[16].

Issues requiring further improvement

13 Despite progress towards consolidation of the EU financial landscape and EU budget simplification, certain limitations remain. We note that the Modernisation Fund will remain outside both the European Fund and the EU budget.

14 The actual extent of simplification for final recipients will depend on how the implementing rules and control arrangements are designed and implemented in practice,

[14] Opinion 03/2026, paragraph 8.

[15] Opinion 10/2026, paragraphs 8-11.

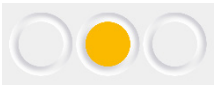
[16] Opinion 01/2026, paragraph 45.

meaning that procedural complexity could persist despite programme consolidation[17]. Simplification at the EU level does not necessarily reduce the administrative burden for final recipients or beneficiaries[18]. For example, operational uncertainties remain in consolidated work programmes, where differing operational requirements across policy areas could limit the practical effectiveness of simplification measures[19]. ***Annex II*** illustrates the different funding models applied to the various headings and the main programmes, based on the proposed regulations.

15 The public procurement rules applicable to beneficiaries are generally not fund-specific. They are set at national level, based on EU public procurement directives. For procurement by EU bodies, they are set out in the Financial Regulation. The proposals contain only limited procurement-related changes. In particular, the proposals would increase the role of pre-commercial procurement in Horizon Europe and in the European Competitiveness Fund. Pre-commercial procurement allows public authorities to procure research and development services for innovative solutions that are not yet available on the market. While this instrument can support early access to innovative solutions and technologies, it entails specific risks posed by the uncertainty and multi-phase nature of such procurement. This makes it more difficult to ensure value for money and accountability, and may also expose beneficiaries to challenges due to a lack of experience with innovative solutions[20]. We note that the Commission recently proposed new legislation concerning public procurement. We have not included this proposal in our analysis.

Opportunities for budget flexibility

Table 3 | Overall assessment

To provide sufficient information on the flexibility needs to support decision-making for the design of the future EU MFF flexibility.	
To simplify the MFF flexibility framework.	

[17] Opinion 03/2026, paragraph 8.

[18] Opinion 03/2026, paragraph 8.

[19] Opinion 08/2026, paragraph 13, 4th bullet point.

[20] Opinion 01/2026, paragraphs 45-47 for European Competitiveness Fund, and Opinion 02/2026, paragraphs 38-40, for Horizon Europe.

How Commission proposals respond to opportunities identified by the ECA

16 While the proposals do not provide more information on the potential events that the proposed EU budget flexibilities should be able to address, they nevertheless provide for a new steering mechanism "with a reinforced dialogue between the European Parliament, the Council and the European Commission" that will guide the use of flexibilities to address new priorities and unexpected needs. Sound justification of the use of flexibility instruments will depend on the steering mechanism procedures yet to be developed[21].

17 The proposals also reduce the number of instruments above the MFF ceiling from eight to four that incorporate disaster-response tools. The Commission notes that this approach can improve budgetary management by reducing overlaps between instruments, and increase predictability by reducing the need to request additional funding above the MFF ceiling[22]. The proposals strengthen non-thematic flexibility instruments, such as the Single Margin Instrument and the Flexibility Instrument, allowing unused annual amounts to be mobilised throughout the MFF[23].

18 As regards the European Competitiveness Fund, the proposals allow for increased flexibility by pooling resources within the Fund's four policy windows, expediting procedures, simplifying access and governance structures, and relying on a single rulebook, as well as combining long-term stability with rapid reallocation of funds[24]. The proposals also provide capacity to respond to changing policy priorities and unforeseen events through flexibility amounts in NRP plans and single financing instruments for external action[25].

Issues requiring further improvement

19 The Flexibility Instrument includes volatile sources, such as decommitments and revenue from fines, which do not constitute stable or predictable funding in addition to the fixed amount of €2 billion per year[26].

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[21] Opinion 03/2026, paragraph 17.

[22] Opinion 03/2026, paragraph 14.

[23] Ibid., paragraph 16.

[24] Opinion 01/2026, paragraphs 33-36.

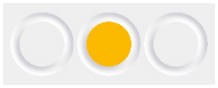
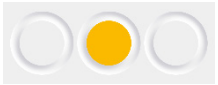
[25] Opinion 09/2026, paragraphs 18 and 67, and Opinion 07/2026, paragraph 18.

[26] Opinion 03/2026, paragraph 16.

20 We also note that although NRP plans include flexibility amounts, these operate within frameworks of ring-fencing and horizontal spending targets, thus limiting the ability to reallocate resources to regional or sector-specific needs[27]. For Global Europe, the use of direct awards to support investments in the EU's strategic interest and private management of budgetary guarantees – if not carefully defined – could undermine the principles of competition, transparency and equal treatment, and expand the EU budget's exposure to contingent liabilities[28].

Opportunities for the European Semester

Table 4 | Overall assessment

To strengthen the link between EU funds supporting the reform of recurring structural challenges in member states and CSRs.	
To ensure that expected reforms take into account national and regional specificities while guaranteeing equal treatment of member states.	

How Commission proposals respond to opportunities identified by the ECA

21 The proposals set broad objectives spanning almost all EU-level priorities. All these objectives must be addressed by member states in their NRP plans. In practice, the extent to which they do so may vary, as the proposed regulation would give member states a certain amount of discretion to allocate the limited amount of EU and national resources to the priorities which they consider most important[29].

22 Member states should take account of their regions' needs when preparing their NRP plans, and cohesion policy is linked to horizontal initiatives such as the European Semester (the annual coordination of member states' economic policies), the Digital Decade, and national energy and climate plans[30]. The proposals intend for reforms to play a central role in NRP plans[31]. They require member states to address EU recommendations and priorities, and envisage financial amounts being set aside for reforms. This signals the

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[27] Opinion 09/2026, paragraphs 18, 59 and 67.

[28] Opinion 07/2026, paragraphs 19-20.

[29] Opinion 09/2026, paragraph 13.

[30] Ibid., paragraph 16.

[31] Ibid., paragraphs 80-85.

Commission's effort to ensure that structural reforms are not secondary, but integrated into the financial framework. While consolidating multiple interventions in one NRP plan aims to increase consistency, it also combines policies which have different objectives, time horizons and delivery logics, risking increased complexity and trade-offs between priorities[32]. Furthermore, the emphasis on demonstrating 'adequate contributions' in policy areas and supporting projects of European interest provides a clear link between EU objectives and national implementation priorities[33].

Issues requiring further improvement

23 Centralising programming in a single plan per member state may reduce the role of regions in decision-making in some member-states, and requires strong national coordination to avoid gaps in addressing regional disparities[34]. There is also insufficient clarity about the assessment of reforms and the allocation of resources: the proposals do not define key terms such as 'adequate contribution', 'significant subset', or 'concentration of resources', nor do they provide transparent assessment criteria, thus leaving considerable subjectivity in evaluating plans[35].

Opportunities concerning financing not linked to costs

Table 5 | Overall assessment

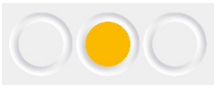
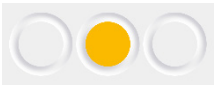
To clearly link funding to results. If this is not possible, such a system should not be applied.	
To ensure that performance-orientation goes beyond specifying payment conditions, such as milestones and targets, and includes all elements needed for the assessment of effectiveness and efficiency.	
To avoid zero-cost measures and consider other alternatives, such as enabling conditions linked to reforms relevant to the investments supported.	
To ensure that the payment conditions are unambiguous and include compliance with EU and national rules.	

[32] Ibid., paragraph 10, 1st bullet-point.

[33] Ibid., paragraph 79.

[34] Opinion 09/2026, paragraphs 16 and 22.

[35] Ibid., paragraph 79.

To clearly define the Commission and member states' supervision and control responsibilities to ensure proper accountability, transparency and compliance with national rules. This involves defining minimum requirements for member state controls and Commission checks before the implementation begins. This could be ensured by defining the roles and responsibilities of the member states similarly to the shared management mode, where they hold significant responsibility in securing the EU financial interests.	
To require full traceability of funding.	
To enable the recovery of funding in cases where funds provided are disproportionate to achievements, or where funds have not been spent in line with EU or national rules.	

How Commission proposals respond to opportunities identified by the ECA

24 The proposals present a delivery model which places milestones and targets at the centre of the financial architecture, links payments to the achievement of those milestones and targets, and aligns national plans with EU strategic priorities[36]. By stipulating that milestones, targets and associated pay-out values must be defined, the Commission moves further away from reimbursing expenditure incurred and seeks to anchor funding more firmly in policy achievements. The proposals also retain a governance architecture that is broadly aligned with shared management by allowing member states to designate managing authorities, paying agencies, and audit authorities[37].

25 The proposals require member states to maintain a complete audit trail for EU payments down to beneficiary level. They also require the collection of data linking operations to output and result indicators, and provide for the publication of information on beneficiaries, beneficial owners, contractors, subcontractors and recipients through national websites and the Commission's Single Gateway[38]. In addition, the final assurance package includes a safeguard requiring member states to confirm that Commission payments do not exceed the amounts paid to beneficiaries. However, in order for this safeguard to be effective, we noted that it would require reliable data, sufficient clarity

[36] Opinion 09/2026, paragraphs 13 and 21.

[37] Ibid., paragraphs 102-109.

[38] Ibid., paragraph 131.

about how the national contribution is to be taken into account, and clarification of any remedial action to be taken in the event of non-compliance with this provision[39].

Issues requiring further improvement

26 Despite the introduction of a new model, important methodological gaps remain, as the use of financing not linked to costs does not in itself make an instrument performance-based[40]. The payment conditions will be linked to output indicators, meaning that the focus is on implementation progress rather than results[41].

27 The methodology for determining the financial value of zero-cost measures such as reforms, and linking them to pay-out values remains unclear. Similar reforms may receive different levels of funding, or reforms with different levels of ambition may receive similar funding[42]. The proposals lack clarity about how milestone fulfilment, horizontal principles and legality checks interact within this delivery model, and allow for payments based on member states' declarations without mandatory prior verification[43]. Assessment criteria are discretionary, and the scope, timing and methodology of audits are insufficiently defined[44].

28 The proposed regulation does not clearly stipulate how compliance with EU and national law will be assessed and ensured, or that non-compliance should always result in financial consequences for the member states concerned. As the Commission remains ultimately responsible for implementing the EU budget, it should draw up effective control and audit requirements. Without explicitly specifying the consequences of non-compliance, especially as regards financial corrections and recoveries, there is a risk that the Commission's assurance may not provide a sufficient basis for confirming the legality and regularity of EU spending[45]. Furthermore, it does not yet ensure full traceability of EU funding within the member states down to the level of those who implement operations in practice[46].

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[39] Ibid., paragraph 127.

[40] Ibid., paragraph 29.

[41] Ibid., paragraph 10, 6th bullet point.

[42] Opinion 09/2026, paragraphs 83-84.

[43] Ibid., paragraph 10, 2nd and 8th bullet points.

[44] Ibid., paragraphs 134-135.

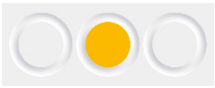
[45] Ibid., paragraph 42.

[46] Ibid., paragraph 132.

29 A major change compared to the Common Provisions Regulation and the Recovery and Resilience Facility is that a definitive reduction in EU funding due to a financial correction by the Commission is envisaged only if a member state has not corrected the problem by the time the final assurance package is submitted. The reduction in EU funding will therefore become definitive only in February 2036, thus weakening the deterrent effect of financial corrections. The proposals also fail to specify whether, when or how extrapolated financial corrections will be applied, despite envisaging their use[47]. Furthermore, the proposals do not sufficiently define the allocation of responsibilities, minimum control requirements, or the functioning of the assurance chain[48].

Opportunities for the rule of law

Table 6 | Overall assessment

To ensure that additional protective measures address any gaps identified that undermine the effectiveness of the rule of law framework.	
To make more information publicly available on the rule of law reporting methodology and the Commission's assessment, to enhance transparency and accountability.	

How Commission proposals respond to opportunities identified by the ECA

30 The proposals introduce stronger mechanisms to ensure compliance with the Charter of Fundamental Rights and the rule of law in the management of EU funds. They also establish two separate and clearly defined procedures – the Charter horizontal condition and the rule-of-law horizontal condition – which may lead to the definitive loss of EU funding where breaches occur. These procedures are designed to be straightforward and time-bound, reinforcing the EU's capacity to address systemic violations. Furthermore, the proposals stipulate that funds lost as a result of these procedures may be reallocated by the Commission through directly or indirectly managed actions for the benefit of EU citizens, thus helping to ensure that EU resources continue to support policy objectives even when member states fail to meet rule-of-law requirements[49]. This element responds

[47] Ibid., paragraph 139.

[48] Ibid., paragraphs 102-114.

[49] Opinion 09/2026, paragraph 54.

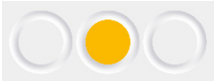
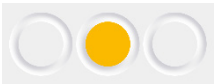
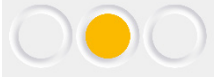
to concerns previously raised by the ECA regarding the protection of beneficiaries and the continued use of EU funds for public-interest purposes[50].

Issues requiring further improvement

31 The proposals contain several provisions that may weaken the effectiveness of enforcement. We note that member states may, based on the NRP Plans Regulation, reallocate up to 30 % of amounts from suspended measures due to infringement of the Charter where there are 'significant changes in the Union's priorities'[51]. This mechanism could reduce the financial consequences of non-compliance and potentially undermine the deterrent effect of the Charter horizontal condition. In addition, the proposals introduce a few procedural differences between the Charter and rule-of-law conditions[52]. The methodology of the rule of law report is publicly available, and has been discussed with member states. The Commission intends to publish its assessment of member state compliance.

Opportunities concerning the financing of the EU budget

Table 7 | Overall assessment

EU borrowing	
If the possibility of borrowing is considered, to clearly establish the financing needs and sources, mitigate risks, and draw up a repayment plan in advance.	
Own resources	
To ensure that the EU's main revenue streams are stable and simplified, e.g. by means of consolidated legislative acts for making available all own resources.	
To strengthen the collection mechanisms for the custom duties and Value Added Tax.	
To ensure that the data used to calculate potential new own resources are comparable and reliable.	

[50] Special report 03/2024, paragraph 33.

[51] Opinion 09/2026, paragraph 55.

[52] Opinion 09/2026, paragraph 56.

How Commission proposals respond to opportunities identified by the ECA

32 The proposed EU borrowing framework introduces mechanisms designed to increase the Union's capacity to respond to exceptional and unforeseen financial needs. We observe that the extraordinary borrowing framework would allow the EU to act promptly in response to severe crises or threats, providing limits for the use, timing, and size of borrowing, and establishing procedural requirements including a Council decision with the European Parliament's consent[53]. Including a dedicated extraordinary and temporary increase in the own resources ceiling would cap such borrowing and provide a clear guarantee for the liabilities incurred by the Commission[54]. Similarly, we note that the NRP loan instrument offers member states access to substantial EU financing for their national reform and investment plans[55]. By allowing up to €150 billion in loans, this instrument extends the EU's role as a lender, complementing budgetary flexibility and providing a tool to support member states in pursuing strategic objectives beyond emergency situations.

33 The proposed own resources system aims to broaden and diversify the EU's revenue base. The Commission introduces five new own resources, bringing the total to nine, while proposing measures which, in its view, 'will limit any additional administrative burden'[56]. The abolition of correction mechanisms would simplify existing revenue streams and enhance transparency[57].

Issues requiring further improvement

34 According to the Commission, the extraordinary borrowing framework does not include a predefined repayment plan due to the conditional and uncertain nature of the amounts to be authorised[58]. The proposals for NRP loans which are to be repaid by the member states involved later rely on the EU budget as a guarantee without other specific provisions.

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[53] Opinion 04/2026, paragraphs 17-19.

[54] Ibid., paragraph 19.

[55] Opinion 09/2026, paragraphs 19 and 61.

[56] Opinion 04/2026, paragraphs 21-22.

[57] Ibid., paragraph 21.

[58] Ibid., paragraph 20.

Extensive use of the margin of the EU's budget, known as 'headroom', may reduce the protection of the EU budget and make national contributions less predictable[59].

35 Introducing new resources makes the EU financing system more complex[60]. Managing the larger number of own resources will probably require more resources in the member states for data collection and reporting, and more Commission resources for verification, thus increasing the overall cost of the system[61]. Increasing existing revenue, such as focusing on closing existing tax (VAT and customs) gaps by addressing weaknesses we have identified in our previous reports, would also reduce the need for new own resources[62].

36 The stability of some own resources is affected by factors that may make the inputs used to calculate contributions less predictable in the short term[63]. For the e-waste own resource, there is also a risk that data quality is not fit for purpose[64], as reporting may be incomplete due to free-riders, exclusions, or incomplete coverage, and there is no legal requirement for member states to verify the data prior to submission. Similar uncertainties affect the tobacco-related own resource, where official data may be understated due to smuggling[65].

Opportunities concerning external audit

Table 8 | Overall assessment

To ensure that the ECA has a clear mandate to audit all EU instruments, and that the legal framework of new instruments enables ECA to audit EU spending at all levels down to the final beneficiaries and recipients.	
To invite ECA to audit all bodies created through agreements outside the EU legal order to implement EU policies, with temporary board representation until legal changes allow a full audit mandate.	

[59] Opinion 09/2026, paragraph 19.

[60] Opinion 04/2026, paragraph 21.

[61] Ibid., paragraph 22.

[62] Ibid., paragraph 13.

[63] Ibid., paragraphs 23, 40, 42 and 49.

[64] Ibid., paragraph 37.

[65] Opinion 04/2026, paragraph 39.

How Commission proposals respond to opportunities identified by the ECA

37 The legal frameworks for the proposed instruments largely uphold the ECA's comprehensive mandate to audit all EU revenue and expenditure and the sound financial management of EU policies and programmes[66]. Explicit references in programme proposals ensure that all delegated entities, implementing partners, and recipients remain subject to audit, thereby reinforcing transparency and accountability[67]. Across multiple instruments, recital references reiterate the obligation for all recipients to grant access and cooperate with the ECA, OLAF, and EPPO, thus supporting consistent oversight[68].

Issues requiring further improvement

38 Some proposals[69] such as Global Europe do not explicitly enshrine the ECA's audit rights in the legal text, relying instead on recitals or delegation agreements. This creates uncertainties for ECA audit rights, particularly for bodies established outside the EU legal framework or for new forms of financial support involving third parties, where the ECA's access may be restricted or delayed[70]. Past audits have shown that information provided by entities such as the EIB or international organisations can be incomplete, fragmented, or delayed, thereby limiting the ability to fully assess legality, regularity, and performance[71]. Provisions for interim participation mechanisms, such as board representation for bodies outside the EU framework, are not consistently included, leaving gaps in oversight[72].

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66 For example, in Opinion 01/2026, paragraph 71, and Opinion 02/2026, paragraph 52.

67 For example, in Opinion 08/2026, paragraph 57.

68 For example, in Opinion 07/2026, paragraph 88.

69 Opinion 07/2026 on Global Europe, paragraphs 88-89, and Opinion 06/2026 on Union Civil Protection Mechanism, paragraph 42.

70 Opinion 02/2026, paragraphs 54-56, and Opinion 07/2026, paragraph 90.

71 Opinion 02/2026, paragraph 53, and Opinion 07/2026, paragraph 90.

72 Opinion 08/2026, paragraph 58.

This review was adopted by the Court of Auditors in Luxembourg at its meeting of 22 October 2026.

For the Court of Auditors

Tony Murphy
President

Annex I ECA opinions on the 2028-2034 MFF legislative proposals

Legislative proposal	ECA opinion
Proposal for a regulation on establishing the European Competitiveness Fund (COM(2025) 555 final/2)	Opinion 01/2026
Proposal for a regulation establishing Horizon Europe (COM(2025) 543 final/2)	Opinion 02/2026
Proposal for a regulation laying down the Multiannual Financial Framework (COM(2025) 571 final)	Opinion 03/2026
Proposal for a decision on the system of own resources of the European Union (COM(2025) 574 final)	Opinion 04/2026
Proposal for a regulation establishing the conditions for the implementation of the Union support to the Common Agriculture Policy (COM(2025) 560 final)	Opinion 05/2026
Proposal for a regulation on the Union Civil Protection Mechanism and Union support for health emergency preparedness and response (COM(2025) 548 final)	Opinion 06/2026
Proposal for a regulation establishing Global Europe (COM(2025) 551 final)	Opinion 07/2026
Proposal for a regulation establishing the Single Market and Customs Programme 2028-2034 (COM(2025) 590 final)	Opinion 08/2026
Proposal for a regulation establishing the European Fund for economic, social and territorial cohesion, agriculture and rural, fisheries and maritime, prosperity and security (COM(2025) 565 final/2)	Opinion 09/2026
Proposal for a regulation establishing a budget expenditure tracking and performance framework and other horizontal rules(COM(2025) 545 final)	Opinion 10/2026
Proposal for a regulation of the European Parliament and of the Council establishing the AgoraEU programme for the period 2028- 2034 (COM(2025) 550 final)	Opinion 11/2026
Proposal for a regulation of the European Parliament and of the Council establishing the Erasmus+ programme for the period 2028- 2034 (COM/2025/549 final)	Opinion 12/2026
	EU budget 2028-2034: The ECA's view: Many changes may not make it better

Annex II EU funding models based on proposed regulations

Headings/Main programmes	Financing not linked to costs	Simplified cost/financing options	Reimbursement of actual costs
Heading 1 'Economic, social and territorial cohesion, agriculture, rural and maritime prosperity and security'	**Allowed**	**Allowed**	**In specific cases**
NRP plans (Commission to member states)	*Mainly for reforms*	*Mainly for investments*	*Not applicable*
NRP plans (Member states to beneficiaries)	*Standard method*	*Standard method*	*Standard method*
EU Facility	*Standard method*	*Standard method*	*In specific cases*
Heading 2 'Competitiveness, prosperity and security'	**Allowed**	**Allowed**	**Allowed**
Horizon Europe	*Standard method*	*Standard method*	*Exceptionally*
Clean Transition and Industrial Decarbonisation	*Standard method*	*Standard method*	*Exceptionally*
Resilience and Security, Defence Industry, and Space	*Standard method*	*Standard method*	*Exceptionally*
Erasmus+	*Standard method*	*Standard method*	*Exceptionally*
Connecting Europe Facility	*Allowed*	*Allowed*	*Allowed*
Union Civil Protection Mechanism +	*Standard method*	*Standard method*	*Exceptionally*
AgoraEU	*Standard method*	*Standard method*	*Exceptionally*
Single Market and Customs Programme	*Standard method*	*Standard method*	*Exceptionally*
Heading 3 'Global Europe'	***Allowed in specific cases***	**Exceptionally**	**Standard method**
Heading 4 'Administration'	**Not applicable**	**Not applicable**	**Standard method**

Notes: **Horizon Europe:** The EU's research and innovation funding programme; **EU Erasmus+:** programme to support education, training, youth and sport in Europe; **Connecting Europe Facility:** EU instrument providing financial support for the creation of sustainable interconnected infrastructure in the energy, transport, and information and communication technology sectors; **Union Civil Protection Mechanism +:** System to strengthen coordination and cooperation between the EU and its member states on preventing, preparing for and responding to natural and man-made disasters; **AgoraEU:** EU programme to provide support for culture, media and civil society; **Global Europe:** The EU's proposed external action strategy for 2028-2034.

Source: ECA analysis of Commission's proposals.

Glossary

Term	Definition/Explanation
Budget flexibility	Mechanism allowing the Commission to reallocate appropriations between programmes, policy windows, or years within MFF ceilings to respond to changing priorities.
Budgetary guarantee	Commitment to use the EU budget to compensate for any losses incurred if a beneficiary fails to meet its obligations in relation to a loan or equity investment.
Common Provisions Regulation	Regulation setting out the rules that apply to all five of the European structural and investment funds.
EU added value	Additional value generated by EU action compared with member state action alone.
European Competitiveness Fund	Proposed EU fund that includes a specific programme for defence research and innovation activities.
European Fund Regulation	Proposed successor to the Common Provisions Regulation for the 2028-2034 period, setting out common rules for many EU funds involving national allocations from the EU budget, including the four cohesion policy funds.
Financial Regulation	Main set of rules governing how the EU budget is set and used, and the associated processes such as internal control, reporting, audit and discharge.
Flexibility instrument	Source of funding for clearly identified items of expenditure which cannot be funded without exceeding budgetary expenditure ceilings.
Headroom	Difference between the own resources required to finance the EU budget and the own resources ceiling, which is a higher amount up to which the Commission is entitled to request funds from member states to meet additional obligations such as those arising from EU debt.
Multiannual Financial Framework	The EU's spending plan setting priorities (based on policy objectives) and ceilings, generally for seven years. Provides the structure within which annual EU budgets are set, limiting spending for each category of expenditure.
National recovery and resilience plan	Document setting out a member state's intended reforms and investments under the Recovery and Resilience Facility.
Own resources	Funds used to finance the EU budget, mostly from member state contributions.
Own resources ceiling	Maximum amount of own resources that can be called on from the member states to cover annual payments appropriations.
Performance framework	Milestones and targets defined for a set of indicators for each priority axis of an operational programme (except for technical assistance).
Provision	Accounting term for the best estimate of a likely future liability of uncertain timing or amount, recorded on the balance sheet.
Recovery and Resilience Facility	The EU's financial support mechanism to mitigate the economic and social impact of the COVID-19 pandemic and stimulate

Term	Definition/Explanation
	recovery, and to meet the challenges of a greener and more digital future.
Shared management	Method of spending the EU budget in which, in contrast to direct management, the Commission delegates to the member state while retaining ultimate responsibility.
Single margin instrument	EU special instrument allowing the inclusion in the budget of unused appropriations from previous years or, as a last resort, from the current or future years.
Sound financial management	Management of resources in accordance with the principles of economy, efficiency and effectiveness.

ECA Team

This review was adopted by Court, headed by ECA President Tony Murphy. The task was led by ECA Member Jan Gregor, supported by Werner Vlasselaer, Head of Private Office and Radka Papoušková, Private Office Attaché; Paul Sime, Principal Manager and Leonidas Tsonakas, Head of Task.

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The European Commission's proposals for the 2028-2034 Multiannual Financial Framework represent a major redesign of the EU budget. This review follows up on the opportunities identified by the European Court of Auditors in Review 03/2025 (before the proposals) and assesses how they have been addressed in the Commission's legislative proposals.

Drawing on the ECA's opinions on these legislative proposals, it examines whether the proposed framework is better equipped to deliver results, promote simplification, ensure accountability, strengthen flexibility, protect the EU's financial interests, and support sound financial management. The review identifies areas where further improvements may be needed before the legislative package is finalised.

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